

## Message Text

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ACTION EA-09

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CINCPAC HONOLULU HI

UNCLAS TOKYO 5649

CINCPAC ALSO FOR POLAD

E.O. 11652: N/A

TAGS: ELAB, JA

SUBJECT: 1976 SPRING WAGE NEGOTIATIONS: PRIVATE SECTOR OFFERS

REF: TOKYO 5287 NOTAL

1. ANNUAL WAGE NEGOTIATIONS IN PRIVATE SECTOR REACHED CLIMAX APRIL 14 WHEN ALL MAJOR ENTERPRISES IN STEEL AND SHIPBUILDING INDUSTRIES MADE IDENTICAL OFFERS AVERAGING 12,000 YEN (40 DOLLARS) MONTHLY PERCENTAGE INCREASES FOR STEEL 8.5 PERCENT, SHIPBUILDING 8.66 PERCENT. AVERAGE OFFER IN AUTO INDUSTRY WAS ALSO APPROXIMATELY 12,000 YEN OR 9.9 PERCENT ALTHOUGH AUTO MANUFACTURERS CLAIMING THAT WITH ADDITION OF AN ANNUAL 30,000 YEN (100 DOLLARS) AVERAGE SUPPLEMENTAL "SWEETENER" IN COMMEMORATION OF 1975'S RECORD AUTO SALES, AUTO WORKERS WILL IN FACT RECEIVE 12 PERCENT INCREASE. ON SAME DAY, MAJOR ELECTRICAL MACHINERY FIRMS OFFERED AVERAGE 11,500 YEN (38.33 DOLLARS) OR 9.5 PERCENT INCREASE WITH LARG ELECTICAL APPLIANCE MANUFACTURERS IN KANSAI SUCH AS MATSUSHITA MAKING MOST GENEROUS OFFERS.

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WM UNIONS AFFILIATED WITH JAPAN METAL WORKERS

COUNCIL (IMF-JC), WHICH HAD REQUESTED AVERAGE 15 PERCENT INCREASE, UNIFORMLY EXPRESSED DISAPPOINTMENT AT COMPANY OFFERS. NEVERTHELESS, STEEL WORKERS UNION NOTED THAT IMF-JC INSISTENCE ON HALL MAJOR METAL WORKING ENTERPRISES MAKING OFFER ON SAME DAY HAD "FORCED" STEEL INDUSTRY TO RAISE ITS UNOFFICIAL FIRST OFFER BY 1,000 YEN (3.33 DOLLARS) AND TOOK SOME SOLACE IN STEEL COMPANIES OFFER OF 400,000 YEN (1,333 DOLLARS) INCREASE IN RETIREMENT ALLOWANCE, WHICH, FOR EXAMPLE, WILL NOW ENABLE BLUE COLLAR WORKER AT NIPPON STEEL COMPANY TO RECEIVE APPROXIMATELY 8,070,000 YEN (26,420 DOLLARS) IN LUMP SUM BENEFITS WHEN RETIRING AFTER 30 YEARS SERVICE WITH COMPANY.

3. MANAGEMENT SPOKESMEN ARGUED THAT IN SPITE OF INDICATORS SHOWING JAPANESE ECONOMY WHEEL ON ROAD TO RECOVERY, INDIVIDUAL FIRMS, PARTICULARLY IN STEEL INDUSTRY, STILL SUFFERING EFFECTS OF RECESSION AND UNABLE TO OFFER ANY HIGHER WAGE INCREASES WITHOUT ACCOMPANYING THEM WITH LAYOFFS. STEEL MANUFACTURERS ALSO APPARENTLY MADE IT CLEAR TO AUTO, ELECTRICAL AND SHIPBUILDING FIRMS THAT IF WAGE OFFERS IN THESE INDUSTRIES SO GENEROUS AS TO FORCE SIGNIFICANT INCREASE IN STEEL FIRMS OFFER AND THEY WOULD BE OBLIGED TO HIKE STEEL PRICES SHARPLY THIS SPRING. DEPUTY PRIME MINISTER FUKUDA HAILED MANAGEMENT OFFERS AS PARTICULARLY GENEROUS IN VIEW OF ONLY 5 PERCENT INCREASE IN PRODUCTIVITY IN 1975 AND NIKKEIREN (JAPAN MANUFACTURERS ASSOCIATION). "GUIDEZONE" RECOMMENDING WIDE SPECTRUM OF WAGE SETTLEMENTS RANGING FROM ZERO TO 9.9 PERCENT.

4. GIVEN RATHER MILD EXPRESSIONS OF DISATISFACTION ON PART OF UNIONS WITH WHAT METAL INDUSTRIES TERM THEIR "FINAL OFFERS", IMF-JC AFFILIATES ALMOST CERTAIN TO ACCEPT THEM. HOWEVER, FORMAL ACCEPTANCE WILL BE DELAYED UNTIL LATER THIS MONTH IN DEFERENCE TO PRIVATE RAILWAY WORKERS WHO THREATENING ANOTHER ROUND OF STRIKES NEXT WEEK IN ORDER TO PRESSURE MANAGEMENT INTO INCREASING ITS OFFER OF AVERAGE 8,000 YEN (26.66 DOLLARS) OR 6.02 PERCENT MONTHLY

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INCREASE. AT THIS POINT, PROSPECT IS FOR ALMOST TOTAL SHUTDOWN OF JAPAN'S GROUND TRANSPORT SYSTEM APRIL 20-22 AS NATIONAL RAILWAY WORKERS ALSO SLATED TO JOIN PRIVATE RAILWAY UNIONS IN THREE DAYS OF NATIONWIDE STRIKES. HODGSON

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